

to textile mills in the State to increase the production and export to textile; and

(c) if so, the details thereof ?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) :

(a) There were 64 cotton/man-made fibre textile units in the State of Uttar Pradesh as on 28.2.97. The installed capacity of these mills were as under :

Item	Unit	Installed Capacity
1. Spindles	'000	1898
2. Rotors	No.	6072
3. Looms	No.	11567
4. No. of workers on rolls	No.	86000

The items produced by these mills include yarn & cloth of cotton, blended and 100% Non-cotton varieties.

(b) and (c) The Union Government had taken various steps in the past in the direction of increasing production of textiles in the country and export of textile, which are equally applicable to the State of Uttar Pradesh.

The Indian textile industry comprises of various segments, namely mill sector, powerloom, handloom etc. Depending on the needs of each segment of the industry, policy interventions involving formulation of financial and administrative steps by the government for various segments is a continuous process keeping in mind the broad objectives laid down in the Textile Policy 1985. The government have taken various steps from time to time to encourage textile production in each segment. These include :

Liberalisation of licensing provision; fiscal restructuring; permitting import of textile machinery under OGL; and reduction of custom duty on such imports; research and development activities; setting up of laboratories facilities; simplification of quota system; setting up of BIFR to inquire into working of sick industrial units, and to prepare and sanction as appropriate, scheme for revival of mills; reserving certain items for manufacture by handloom sector only; by way of running Powerloom Service Centres, Computer Aided Design Centres; improving quality of textile products and boost their value addition through various Textile Research Associations; removal of restrictions on the creation and expansion of capacity, subject only to locational guidelines; working on various programmes for the promotion on export of the

various segments of the Indian Textile Industry through various Export Promotion Councils under M/o Textiles; upgrading of testing facilities at the Textiles Committee and other Public Textile Laboratories to facilitate quick, affordable and reliable tests result to the exporters; and promoting quality consciousness among exporters to promote acceptability of Indian goods abroad.

Conditions Imposed on Import of Paper

6683. SHRI R. SAMBASIVA RAO : Will the Minister of COMMERCE be pleased to state :

(a) whether he has imposed actual user condition on import of newsprint in a bid to provide higher protection to domestic manufacturers;

(b) if so, the main reasons for imposing restrictions on newsprint import;

(c) whether domestic manufacturers has been complaining that they were not in a position to import cheap newsprint from abroad;

(d) if so, the details of objections/complaints received by the Government;

(e) whether his Ministry has consulted this issue with the concerned Ministries;

(f) if so, the details thereof and if not, the reasons therefor; and

(g) the action taken by the Government to safeguard the interest of the domestic manufacturers ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (g) Taking into consideration the representations received from indigenous newsprint manufacturers the Govt. has taken steps in consultation with the concerned Administrative Ministries, to safeguard their interest by imposing Actual User condition for import of newsprint with effect from 29.1.1997. The conditions of import by Actual Users were modified and made effective from 5th March, 1997. The copies of relevant Government's (Ministry of Commerce) Notifications No. 22/92-97 dated 29.1.97 and No. 24/92-97 dated 5.3.1997 are available in the Parliament Library.

Leather Research Institute, Dindigul

6684. SHRI N.S.V. CHITTHAN : Will the Minister of INDUSTRY be pleased to state :

(a) whether the Government have any plan to set

up a Leather Research Institute in Dindigul which is famous for Leather Products;

- (b) if so, the details thereof;
- (c) if not, the reasons therefor;
- (d) the total number of Leather Industries in the country, particularly in Dindigul.
- (e) the steps being taken to provide better facilities to leather exporters; and
- (f) the total turnover of leather products in the country, particularly from this area annually ?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) No, Sir.

- (b) Does not arise.
- (c) The Central Leather Research Institute (CLRI), Chennai, a constituent laboratory of the Council of Scientific & Industrial Research (CSIR) which is about 400 Kms. away from Dindigul, as a National institute is already servicing the R&D and training needs of the leather industry in the country including that of Dindigul. The leather product manufacturing units and the industry in Dindigul is making good use of these services.
- (d) Leather Industry is largely in the unorganised sector. There are about 1100 registered tanneries in the country (excluding job work units and cottage units) located in different parts of the country of which Tamil Nadu accounts for 53%. In addition, there are 1125 manufacturing-cum-exporting leather products units (excluding household sector and job work units). In Dindigul, there are 61 small scale tanneries of which 54 are working.
- (e) Under the National Leather Development Programme, inter alia, technical and training assistance is being provided to the industries in the area of technology upgradation, organisation of investment and technology marts, etc. which facilitate exports.
- (f) Leather industry is largely in the un-organised sector and hence information regarding turnover, production, etc. are based on estimates. As per one estimate, the total annual value of leather products, viz., leather footwear, leather goods, leather garments, saddlery, etc. in the country works out to Rs. 1,17,600 million. Contribution of Dindigul tanning industry for the production and export of leather is significant.

Difficulties in Trading with Iran

6685. SHRI SANAT KUMAR MANDAL : Will the Minister of COMMERCE be pleased to state :

- (a) whether the attention of the Government has been drawn to the news-item captioned "Difficulty in trading with Iran" appearing in 'The Week end Observer' dated May 3, 1997;
- (b) if so, the facts of the matter reported therein;
- (c) whether the Indian exporters are actually facing difficulties in receiving their payments from Iran;
- (d) if so, whether Export Credit Guarantee Corporation had been placed in high risk category and also post-shipment credit was not easily available against exports to Iran;
- (e) if so, the reasons therefor;
- (f) whether this issue has been discussed with Iran Government by Federation of India Export Organisation International Committee; and
- (g) if so, the details of issues discussed and the outcomes thereof alongwith the reaction of the Government thereto ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): (a) and (b) Yes, Sir. It has been reported by Federation of Indian Exports Organisations that Indian exporters are facing difficulties in receiving payments from Iran, availing post-shipment credit and facing problems in respect of other related banking facilities.

(c) One case of non-payment of export proceeds has been reported to Export Credit Guarantee Corporation (ECGC). No other specific instances of delayed payments under ACU mechanism have been reported to EXIM Bank in respect of proposals cleared by them and also to Ministry of Commerce.

(d) and (e) ECGC has placed Iran in Category 'C' in the four fold classification from A to D. A being the lowest risk Category and D being the highest risk category. The classification is based on economic/political risk rating, experience of ECGC/other insurers etc.

- (f) No, Sir.
- (g) Does not arise.